

The Insolvency Act 1986

Administrator's progress report

Name of Company First Stop Legal Services Ltd t/as GT Law	Company number 07019375
In the High Court of Justice, Chancery Division [full name of court]	Court case number 6437 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

I / We (a) Andrew Hosking and Simon Bonney

Joint administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

09 October 2015

08 April 2016

Signed



Joint / Administrator(s)

Dated 06 May 2016

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Andrew Hosking
Quantuma LLP
Vernon House, 23 Sicilian Avenue
London, WC1A 2QS

Tel 01273 322400

DX Number

DX Exchange

SATURDAY



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COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

First Stop Legal Services Ltd t/as GT Law

(In Administration)

("the Company")

High Court of Justice, Chancery Division Court No. 6437 of 2015

THE JOINT ADMINISTRATORS' PROGRESS REPORT

06 May 2016

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever

Andrew Hosking and Simon Bonney were appointed Joint Administrators of First Stop Legal Services Ltd t/as GT Law on 09 October 2015. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Andrew Hosking and Simon Bonney are licensed to act as insolvency practitioners by the Insolvency Practitioners Association

Quantuma LLP

3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA

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CONTENTS

INTRODUCTION

THE PROGRESS OF THE ADMINISTRATION

CREDITORS' CLAIMS AND DISTRIBUTIONS

OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

PRE-ADMINISTRATION COSTS

THE JOINT ADMINISTRATORS' FEES AND EXPENSES

APPENDICES

- | | |
|-------------------|--|
| Appendix 1 | Statutory information |
| Appendix 2 | The Joint Administrators' receipts and payments account as at 08 April 2016 |
| Appendix 3 | The Joint Administrators' estimated outcome statement as at 08 April 2016 |
| Appendix 4 | Detailed list of work undertaken by the Joint Administrators |
| Appendix 5 | Proof of Debt |

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986
"the Rules"	Insolvency Rules 1986
"the Joint Administrators"	Andrew Hosking and Simon James Bonney of Quantuma LLP
"the Company"	First Stop Legal Services Ltd t/as GT Law (in Administration)
"the Court"	High Court of Justice, Chancery Division
"EOS"	Estimated Outcome Statement
"SIP"	Statement of Insolvency Practice (England & Wales)
"Review Period"	Period covered by the report from 09 October 2015 to 08 April 2016

INTRODUCTION

This report has been prepared to provide creditors with an update on the progress of the Administration of the Company since our last report to creditors dated 03 December 2015

Given the information previously provided to creditors in our earlier report to creditors, we have not included detailed background information in respect of the Company and have focussed on progress of the Administration subsequent to that report.

The Joint Administrators' proposals were deemed approved. A formal notice confirming this was sent to all creditors on 22 December 2015.

A schedule of statutory information in respect of the Company is attached at **Appendix 1**

THE PROGRESS OF THE ADMINISTRATION

As previously reported the Company's live client files were transferred immediately prior to the appointment of Administrators on 09 October 2015

It was not possible for Administrators to trade a regulated legal practice given that the Administrators are not regulated by the Law Society and do not hold practicing certificates. The SRA would therefore not sanction the ongoing trading of a legal practice within Administration and as a result, the assignment of the live client files represented the optimum method to achieve the objective of the Administration and to maximise returns to creditors.

The three acquiring firms are IC Law Solicitors, Pilkington Shaw Solicitors and Neumans LLP. The terms of the assignments were slightly varied between the three acquiring firms but the main basis of the assignments is for a set fee to be paid to the Company by the acquiring firm on each assigned case that is successfully settled, together with any recovered pre-paid disbursements. Full details of specific terms of the sale agreements were referred to in the Administrators' Proposals.

The Company was also involved in two large group actions, 'Sonae' and 'Mau Mau'. Both of these group actions have been assigned to IC Law Solicitors and the Company will receive a pre-defined percentage of any recoveries resulting from the success of these group actions. It is not possible to quantify the potential recoveries from these group actions at present and it is likely that these actions will continue to run for some considerable time.

The Administrators appointed a Solicitor Manager, Samantha Palmer of Ashfords LLP to oversee the handover of files to the purchasing entities and to satisfy regulatory requirements, with these costs being met from the administration estate in relation to the orderly migration of the client account.

Assignments of Client Files

Recoveries from the assigned client files have been slightly lower than anticipated and therefore my staff and I have been liaising with the acquiring firms and closely monitoring recoveries. I considered it necessary for on-site audits of the assigned client files to be carried out at the relevant acquiring firms in order to be satisfied that the files are being satisfactorily progressed and the costs due to the Administration properly transferred in accordance with the sale agreements. The Solicitor Manager has assisted the Administrators with this.

Settled Cases

There were a number of cases that were settled prior to the Administration appointment or were at the point of settlement and these cases have remained within the Administration. Costs relating to these files have been pursued and are being received directly into the Administration. I instructed the Company's former practice manager to assist me with the collection of these debts as I considered her specialist knowledge of the cases and relevant parties involved would significantly reduce the costs incurred by the Administration in pursuing these debts. To the date covered by this report, profit costs on settled matters totalling £155,613 have been received into the Administration.

Other Matters

There have been a number of other matters that have required significant attention during the reporting period, which are summarised and listed below:

- Facilitating client requests and providing information and assistance whereupon requested by various interested parties in order to ensure that clients' interests are met,
- Monitoring the transfer of Client Files to other law firms and ensuring undertakings are provided by any acquiring solicitor firms,
- Liaising with the Solicitor Manager in respect of the distribution of client account funds held,
- Liaising with suppliers and ensuring that valid disbursements are paid to suppliers on cases that have been settled,
- Liaising with the Solicitor Manager in respect of regulatory matters arising in the Administration,

-
- Dealing with a number of potential negligence claims and liaising with the Company's PI insurer,
 - Instructing cost draftsmen to deal with costs due to the Company on client files remaining with the Administration,
 - Corresponding with creditors in relation to claims submitted

The Joint Administrators' receipts and payments account

Attached at **Appendix 2** is a receipts and payments account for the Review Period together with a summary of the transactions in the previous review period

An EOS as at 08 April 2016 is attached at **Appendix 3**

The rest of this report describes the key developments in the Administration over the Review Period

For a detailed list of work undertaken by the Joint Administrators during the Review Period, see **Appendix 4**

We have also summarised the main asset realisations during the Review Period and an estimation of those assets yet to be realised, together with details of costs incurred but as yet remaining unpaid

Administrative, Statutory & Regulatory Tasks

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards

During the Review Period, primarily these tasks have included

- Drafting and issuing the progress report to creditors,
- Consulting with and instructing independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress,
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration,
- Monitoring and maintaining an adequate statutory bond,
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements,
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments, and
- Completing periodic tax returns
- Preparing a report on the conduct of the directors as required by the Company Directors Disqualification Act

Realisation of assets

Debtors

As noted above the Administrators have recovered debts from settled cases totalling £155,613 in the period covered by this report

The amount of £125,878 has been received from the acquiring firms in respect of the assigned client files. Significant further recoveries are anticipated as detailed on the enclosed EOS and whilst recoveries to date have not been as high as expected there is no reason to suggest at this stage that the estimated realisations of £950,000 will not be achieved

Fixtures and Fittings and Computer Equipment

This comprised mainly of various office furniture and computer equipment which was considered to be of negligible realisable value given that the associated costs of uplifting and selling these items at

auction would have outweighed the benefit received to the Administration Agents, Winterhill Group ("Winterhill") (which is a Royal Institution of Chartered Surveyors regulated firm), were instructed to dispose of the equipment and realised £542 in total from these items from non-auction sales

Winterhill were also instructed to wipe all the computer hard drives as they would have contained sensitive information

The Company also owns some servers which cannot yet be disposed of as they are running the Company's secure case archiving system and are therefore still required in this transitional period. The servers are anticipated to be of minimal realisable value but agents will be instructed to dispose of these items when they are no longer required

Estimated future realisations

Debtors

The Administrators will continue to receive the costs due to the Company on client files that have been assigned at the point when each file settles. I am unable to estimate when this process will be completed as it will be entirely dependent upon the length of time the acquiring law firms take to conclude proceedings on all of the assigned files, however, I do anticipate that the Administration will need to be extended beyond 12 months

Directors' Loan Account

The directors' Statement of Affairs states that the director, Gordon Tucker, is indebted to the Company in the amount of £264,000 in respect of his overdrawn directors' loan account ("DLA"). This figure was obtained from the Company's management accounting information, however, the DLA is not fully reconciled and from a review of the Company's bank and credit card statements it is likely that there will have been further movement on the account up to the date of Administration.

The Administrators have been liaising with the director in relation to repayment of his indebtedness to the Company and the director has advised that he does not currently have the means to repay any of this debt.

The Administrators have requested that the director discloses full details of his personal financial position, including executing a declaration that the contents are true and I can confirm that the director has complied with this request. It is apparent, upon review of his personal finances questionnaire that the director is not presently able to make any payments against his overdrawn DLA and the Administrators therefore do not intend to undertake any further reconciliation of the DLA as it would not be cost effective to do so at this time. The Administrators will, however, continue to monitor and review the position.

Payments

Costs incurred but remaining unpaid

Included within the EOS at **Appendix 3** are costs incurred during the Review Period, but which as yet remain unpaid. These costs are separately detailed below:

Cost Description	Amount (£)
Ashfords LLP – solicitor manager's fees	26,955
Mishcons De Reya LLP – security review	6,939
TOTAL	33,894

During the Review Period, the Joint Administrators have also incurred time costs and direct expenses, not all of which have yet been discharged. Further details of these costs are set out below.

CREDITORS CLAIMS AND DISTRIBUTIONS

Secured creditors

The Company granted a fixed and floating charge to HTG Ventures Limited ("HTG") on 01 December 2010 who was owed £3,995,910 on appointment. During the Review Period, the Joint Administrators' legal advisors, Mishcon de Reya LLP, have confirmed the validity of the charge.

No distributions have yet been paid to HTG. Under the provisions of the Insolvent Act 1986 (as amended), preferential creditors' claims must be paid in priority to creditors holding a floating charge. The Administrators are required to pay or set aside sufficient funds for the payment of preferential creditors but as at the date of this report a final preferential claim from the Redundancy Payments Service has not been received and therefore we are unable to confirm the amount that must be set aside.

I anticipate being in a position to make an interim distribution to HTG once a final preferential claim has been received from the Redundancy Payments Service.

It is not anticipated that the secured creditor will be paid in full, as detailed in the enclosed **Appendix 3**.

Preferential creditors

The Joint Administrators and their staff have incurred time costs in assisting employees to obtain payment from the Redundancy Payments Office.

Preferential claims relating to unpaid wages and holiday pay were estimated at £10,000 in the Director's Estimated Statement of Affairs, however, a final claim has not yet been received from the Redundancy Payments Service. It is anticipated that preferential claims will be paid in full.

Prescribed Part

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the unsecured creditors. This equates to:

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

Based on present information, the Joint Administrators estimate that, after allowing for costs and payment of preferential claims, the value of the Company's net property will be £611,297, which means that the prescribed part is estimated to be £125,259. The Joint Administrators anticipate therefore that there will be funds for a dividend to unsecured creditors from the prescribed part, but this will be dependent on final costs.

Unsecured creditors

Unsecured claims were estimated at £519,502 in the Director's Estimated Statement of Affairs and to date claims received from unsecured creditors total £579,026. Some of the claims received to date are higher than the director estimated in his Statement of Affairs and it should be noted that HMRC's final claim is likely to be significantly higher than was estimated by the director in his Statement of Affairs as the Administrators have received a notice of VAT determination together with further interest and penalties.

A dividend to unsecured creditors from the prescribed part, as explained above, is expected. The quantum of any distribution will be dependent on realisations, the final costs of the Administration and the level of agreed claims. The EOS projects that the estimated dividend will be in the region of 14.41 pence in the £. Although significant time costs have been incurred in liaising with creditors' regarding claims submitted to date, this work has had a financial benefit for creditors as it has ensured that payments will only be made to parties who have a statutory right to a dividend.

Claims process

Due to the possible distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report, marked for the attention of Tom Burton@Quantuma.com

A Proof of Debt form is attached at **Appendix 5**

A Notice of Intended Dividend will be circulated to unsecured creditors at the point when the Administrators are in a position to make a distribution to unsecured creditors. This will provide creditors with a further opportunity to submit claims and this will also be when the Administrators will adjudicate on the claims that have been submitted.

OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed

In this regard, a confidential report was submitted to The Insolvency Service on 06 April 2016

Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we are obliged to review shortly after appointment all the information available to us and conduct an initial assessment of whether there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company

This review has been completed and we confirm that we did not identify any further assets or actions which would lead to a recovery for creditors other than the matters that have been detailed above

Should creditors have any information in relation to the above which you feel we should be made aware of, please contact us as a matter of urgency

Future Actions

In order to achieve the objective of the Administration of the Company the Administrators propose to -

- Continually review the recoverability of work in progress and debtors,
- Liaise with the acquiring firms and ensure that in accordance with the sale agreements the purchasers pay over to the Administration the fees due to the Company on each settled case,
- Continue to facilitate client requests and provide information and assistance whereupon requested in order to ensure that clients' interests are met. Monitor the transfer of any Client Files to other law firms and ensure undertakings are provided by any acquiring solicitor firms,
- Liaise with suppliers and ensure that valid disbursements are paid to suppliers on cases that have been settled
- Liaise with creditors in relation to claims submitted

Exit Route

As previously reported it is anticipated that the Administration will end by the filing of notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered

The insolvency legislation has set a 12 month maximum duration for Administrations and given that fees due to the Company are likely to be received for some considerable time on the assigned client files, it is likely that the Administrators will be required to extend the Administration. I will seek approval from the secured creditor and the preferential creditors at the point that this is required

EC Regulations

Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in that regulation

Further Information

Creditors should note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Additionally the Joint Administrators are also bound by the regulations of their Licensing Bodies

To comply with the Provision of Services Regulations, some general information about Quantuma LLP, including our complaints policy and Professional Indemnity Insurance, can be found at http://www.quantuma.com/uploads/1/6/1/1/16116268/quantuma_llp_provision_of_services_regulations_2009-3.pdf

PRE-ADMINISTRATION COSTS

Included within the Joint Administrators' Proposals dated 03 December 2016 was a Statement of Pre-Administration Costs

These costs were approved as detailed below

Party instructed	Amount approved (£)	Date approved	Date paid
Quantuma LLP	£23,386	29 December 2015	30 December 2015
Michcons de Reya LLP Solicitors	£18,254	29 December 2015	08 February 2016
Administrators' pre- administration disbursements	£855 45	29 December 2015	30 December 2015
TOTAL APPROVED	£42,495 45		

THE JOINT ADMINISTRATORS' FEES AND EXPENSES

The Joint Administrators' Fees

The basis of the Joint Administrators' fees was fixed on 29 December 2015 by the secured and preferential creditors as follows

- 1 The Joint Administrators shall be authorised to be remunerated by reference to time properly spent by themselves and their staff in dealing with matters relating to the Administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. It is estimated that time costs for undertaking all work in connection with the Administration will be £121,515 as confirmed in the Fee Estimate appended to the Proposals

Comparison of estimates

The Joint Administrators' time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimate as follows

Work category	Original fees estimate			Actual time costs incurred to date		
	No. of hours	Blended hourly rate £ per hour	Total fees £	No. of hours	Average hourly rate £ per hour	Total time costs £
Administration and Planning	120 00	207 50	24,900 00	118 20	326 45	38,586 50
Creditors	230 00	207 50	47,725 00	174 30	187 34	32,653 00
Investigations	25 00	207 50	5,187 50	14 10	185 00	2,608 50
Realisation of Assets	180 00	207 50	37,350 00	56 50	202 89	11,463 50
Trading / Managing Shut Down of Business	-	-	* see note below	29 90	187 17	5,596 50
Cashiering	25 00	192 50	4,812 50	33 30	128 96	4,294 50
Total	588 00	206.66	121,515 00	426.30	223.32	95,202.50

* N B The time incurred in managing the orderly shutdown of the business was originally estimated within the Administration and Planning work category

The expenses incurred to date are compared with the original expenses estimate as follows

Expenses	Original expenses estimate £	Actual expenses incurred to date £	Reason for any excess (If the expenses are likely to, or have, exceeded the original estimate)
Legal costs	80,000 00	61,889	
Agents and valuers costs	2,540 00	2,360	
Advertising	225 00	75 00	
Insurance	212 00	212 00	

Expenses	Original expenses estimate £	Actual expenses incurred to date £	Reason for any excess (If the expenses are likely to, or have, exceeded the original estimate)
Bank Charges	550 00	925 00	Further transfers from the Company's client account have been needed as funds have continued to be received by the Company
Bonding	250 00	135 00	
Storage / Destruction of records	5,658 00	1,899 97	
Other Category 1 expenses	2,093 40	3,275 34	Further train and subsistence costs have been necessarily incurred in carrying out audits of the assigned files and meetings with the Solicitor Manager
Category 2 expenses	75 00	347 95	Further mileage costs have been necessarily incurred in carrying out audits at the acquiring firms
Other Expenses necessarily incurred but not included in original expenses estimate			
Rents Payable		5,845 40	
IT Services		14,035 14	It was essential to maintain the Company's IT service in the transitional period for the assignment of client files
Accounting / Consultancy fees		52,450 00	These costs were fully disclosed in the Administrators' Proposals and have been necessarily incurred by the Administrators, as detailed further below
TOTAL	91,603 40	137,604 40	

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that the original fees estimate is likely to be exceeded, although I am unable to estimate by how much due to the length of time it is likely to take for the Administration to be concluded

The main reasons why the original fees estimate is likely to be exceeded is due to the reasons stated below -

- Additional previously un-forecasted monitoring of the assigned files, including undertaking audits of the acquiring firms, to ensure that the terms of the sale agreements are being strictly adhered to
- Additional unforeseen work required in dealing with regulatory issues that have arisen since the commencement of the Administration
- Significantly higher costs incurred in dealing with creditors' claims. This has arisen due to the nature of the business, dealing predominantly in high volume, low level personal injury claims, which has led to thousands of cases having disbursements on that are either unpaid or have slightly differing amounts paid than the original invoice

Although I anticipate that my total time costs will exceed my original fees estimate over the duration of the Administration, I am not seeking any further approval of my costs at this time. Further approval will only be sought when my fees incurred exceed my original estimate

Subcontracted Work

I have sub-contracted some of the work I am required to undertake as Joint Administrator, as detailed below

Due to his specialist knowledge of the Company's client account I instructed the Company's former accountant, Craig Parry, to assist the Solicitor Manager in overseeing the distribution of the client account monies. Due to the high volume nature of the Company's case portfolio the Company has continued to receive a large number of settlement cheques on a daily basis since the commencement of the Administration and these cheques have needed to be banked into the Company's client account and properly distributed. I considered this to be cost effective to the Administration and in the best interests of creditors that he assists in this process.

I also instructed Kay Johnson Gee accountants to complete the Company's payroll, including issuing P45's to the employees and completing the work required on the Company's pension scheme. The Administrators agreed a monthly fee with the Company's former I T provider to ensure continuity of service. The provider ran the Company's secure case archiving system and the system was required in this transitional period to ensure that the assigned files could be accessed. The I T provider has also assisted in running reports and printing off case files where clients have requested that their files be transferred to a new firm of solicitors.

I have also made payments to the Company's former senior case manager, Ms Emma Garner, in respect of her work on behalf of the Administrators to facilitate the transition of all the transferred client files, as well as assisting the Administrators in pursuing the costs due to the Company on cases remaining with the Administration. Due to the complexity and volume of the Company's case portfolio it has been imperative that the process has been properly managed in order that no deadlines / hearings / statutory limitation dates are missed and to ensure that the interests of all clients are protected.

The above costs have been paid in full and I only anticipate having to make further payments to the I T provider in respect of this work.

Information about this insolvency process may be found on the R3 website at www.creditorinsolvencyguide.co.uk. A copy of 'A Creditors Guide to Administrators' Fees' together with the firm's current schedule of charge-out rates and chargeable disbursements may be found at <http://www.quantuma.com/creditors-guide-to-fees.html>. A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request at no cost.

Creditors' rights to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

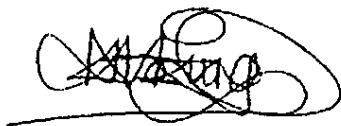
Creditors' rights to challenge fees and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

Should you have any queries in regard to any of the above please do not hesitate to contact Tom Burton on 01273 322400 or by e-mail at Tom.Burton@Quantuma.com



Andrew Hosking
Joint Administrator

Licensed in the United Kingdom to act as an Insolvency Practitioner by the Insolvency Practitioners Association

The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company

Appendix 1**First Stop Legal Services Ltd t/as GT Law
(IN ADMINISTRATION)****STATUTORY INFORMATION**

Company Name	First Stop Legal Services Ltd t/as GT Law
Previous Names	GT Law Limited
Proceedings	In Administration
Court	High Court of Justice, Chancery Division
Court Reference	6437 of 2015
Date of Appointment	09 October 2015
Joint Administrators	Andrew Hosking Simon James Bonney Quantuma LLP Vernon House, 23 Sicilian Avenue London, WC1A 2QS
Joint Administrators' functions	All functions, duties and powers may be exercised by either one or both of the Joint Administrators
Registered office address	c/o Quantuma LLP 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA
Company Number	07019375
Incorporation Date	15/09/2009
Company Secretary	Gordon Tucker
Appointment by	Director
Directors at date of Appointment	Gordon Tucker
Directors' Shareholdings	Gordon Tucker - Shareholding 100%

**First Stop Legal Services Ltd t/as GT Law
(IN ADMINISTRATION)**

Appendix 2

**THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
AS AT 08 APRIL 2016**

**First Stop Legal Services Ltd t/as GT Law
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 08/04/2016**

S of A £	£	£
ASSET REALISATIONS		
Furniture & Equipment	541 67	
Book Debts	281,491 30	
Cash at Bank	1,334 00	
Bank Interest Gross	206 86	
Rates Refund	356 33	
Copying and Postage costs	50 00	
		283,980 16
COST OF REALISATIONS		
Specific Bond	135 00	
Administrators Pre-app fees	23,386 00	
Administrators Pre-appt costs	855 45	
Office Holders Fees	72,000 00	
Office Holders Expenses	2,705 54	
Client Case Disbursements	1,103 97	
Agents/Valuers Fees	2,360 00	
Legal Fees	61,888 92	
Accountancy Fees	14,350 00	
I T Services	14,035 10	
Consultancy fees	38,100 00	
Storage Costs	441 97	
Re-Direction of Mail	390 00	
Statutory Advertising	75 00	
Rents Payable	5,845 40	
Other Property Expenses	90 00	
Insurance of Assets	212 00	
Bank Charges	925 00	
Secure Destruction of Records	1,458 00	
		(240,357 35)
		43,622.81
REPRESENTED BY		
Vat Receivable		37,411 51
Bank 1 Current		2,074 85
Bank 1 Deposit		4,244 78
Vat Payable		(108 33)
		43,622.81

Andrew Hosking
Joint Administrator

**First Stop Legal Services Ltd t/as GT Law
(IN ADMINISTRATION)**

Appendix 3

**THE JOINT ADMINISTRATORS' ESTIMATED OUTCOME STATEMENT
AS AT 08 APRIL 2016**

FIRST STOP LEGAL SERVICES LIMITED T/A GT LAW - IN ADMINISTRATION

Estimated Outcome Statement as at 08 April 2016

	Per Statement of Affairs	Receipts & Payments Account	Anticipated future movement	Estimated Final Outcome
	£	£	£	£
ASSETS SPECIFICALLY PLEDGED	-	-	-	-
ASSETS NOT SPECIFICALLY PLEDGED				
Fistures, Fittings & Computer Equipment	5,000	542	4,000	4,542
Book Debts	950,000	281,491	668,509	950,000
Cash at Bank	1,444	1,334	-	1,334
Rates Refund	-	356	-	356
Bank Interest Gross	-	207	500	707
Copying & Postage charges	-	50	-	50
Directors' Loan Account	uncertain	-	uncertain	uncertain
Estimated total assets	956,444	283,980	673,009	956,989
COSTS (excl recoverable VAT)				
Valuation fees / selling costs		(2,360)	-	(2,360)
Client case disbursements		(1,104)	-	(1,104)
Insurance		(212)	-	(212)
Accountancy fees		(14,350)	-	(14,350)
Legal Fees - security review		-	(5,000)	(5,000)
Solicitor Manager's fees		(61,889)	(30,000)	(91,889)
Administrators' Pre-Appointment Fees		(23,386)	-	(23,386)
Administrators' fees		(72,000)	(50,000)	(122,000)
Administrators' pre-appointment disbursements		(855)	-	(855)
Administrators' disbursements		(2,706)	(500)	(3,206)
Consultancy fees		(38,100)	-	(38,100)
Rent & Property Expenses		(5,935)	-	(5,935)
I T Services		(14,035)	(6,000)	(20,035)
Storage & Destruction of Records		(1,900)	(3,500)	(5,400)
Bank Charges		(925)	(50)	(975)
Statutory Advertising		(75)	(150)	(225)
Mail Re-direction		(390)	-	(390)
Office Holder's Bond		(135)	(135)	(270)
		(240,357)	(95,335)	(335,692)
Estimated total assets available to preferential creditors	956,444	43,623		621,297
LIABILITIES				
Preferential Creditors	(10,000)	-	(10,000)	(10,000)
Estimated Assets subject to Prescribed Part	946,444	43,623		611,297
Estimated Prescribed Part c/d	192,289	11,725		125,259
Estimated assets available for Floating Charge Creditors	754,155	31,898		486,037
HTG Ventures Limited - charge dated 01 December 2010	(3,995,910)	(3,995,910)		(3,995,910)
Shortfall to Floating Charge Holder	-	(3,964,012)		(3,509,873)
Prescribed Part b/d	192,289	11,725		125,259
Estimated total assets available to unsecured creditors	(192,289)	11,725		125,259
Unsecured				
HM Revenue & Customs	(190,984)		(100,000)	(290,984)
Trade and Expense Creditors	(328,518)		(250,000)	(578,518)
Employees - Redundancy / Notice pay	-		(25,000)	(25,000)
SURPLUS / (SHORTFALL)	426,942			(283,205)
SECURED CREDITOR RECOVERY (%)	19%			12%
PREFERENTIAL CREDITORS RECOVERY (%)	100%			100%
UNSECURED CREDITORS RECOVERY (%)	37.01%			14.41%

**First Stop Legal Services Ltd t/as GT Law
(IN ADMINISTRATION)**

DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS DURING THE REVIEW PERIOD

Description of work undertaken	Includes	No. of Hours during the period from 09/10/2015 to 08/04/2016	Total cost during the period from 09/10/2015 to 08/04/2016 £	Blended hourly rate during the period from 09/10/2015 to 08/04/2016 £
ADMINISTRATION & PLANNING				
Administration & Planning - case specific matters		20 90	8,478 00	405 65
Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements	13 00	2,561 00	197 00
Obtaining a specific penalty bond		1 10	203 50	185 00
Recovering & Scheduling the company's books and records	Collection and making an inventory of company books and records	2 60	481 00	185 00
Setting up electronic case files and electronic case details on IPS		4 60	851 00	185 00
General Administration - Dealing with all routine correspondence and emails relating to the case		41 00	22,455 50	383 85
Case strategy & completing file reviews at 1 month, 3 months & 6 months	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Maintenance of statutory and case progression task lists/diaries Updating checklists	15 70	3,223 50	205 32
VAT & Corporation Tax matters and returns	Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns	1 80	333 00	185 00
ADMINISTRATION & PLANNING TOTAL		118 20	38,588 50	326 45
CREDITORS				
Creditors - Case Specific Matters		6 40	1 184 00	185 00
ERA/ Employees - completing documentation for submission to the Redundancy Payments Office ("RPO"), and liaising with the RPO regarding employee claims. Obtaining information from records about employee	Assisting employees to pursue claims via the RPO	1 60	298 00	185 00

Description of work undertaken	Includes	No of Hours during the period from 09/10/2015 to 08/04/2016	Total cost during the period from 09/10/2015 to 08/04/2016 £	Blended hourly rate during the period from 09/10/2015 to 08/04/2016 £
claims and dealing with employee correspondence/calls regarding their claims				
Dealing with creditor correspondence, emails and telephone conversations Dealing with client related case queries	Receive and follow up creditor and client enquiries via telephone, email and post Review and prepare correspondence to creditors, clients and their representatives via email and post	136 60	25,593 00	187 36
Dealing with Pension Schemes	Corresponding with the PPF and the Pensions Regulator	1 20	222 00	185 00
Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims	Agreeing allocation of realisations and costs between fixed and floating charges Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of complex claims Dealing with unclaimed dividends	0 10	18 50	185 00
Secured Creditor Reports/Claims	Seeking solicitors' advice on the validity of secured creditors' claims Paying distribution to secured creditors and seeking confirmation of discharged claims	1 40	259 00	185 00
Initial Appointment Notification to Creditors - Preparing the documentation & sending out Initial appointment notification to creditors	Preparing a fee estimate for inclusion with the report to creditors	0 60	111 00	185 00
Para 49 Administrators' Proposals		24 60	4,636 50	186 48
Para 53 Report of Initial Meeting/Deemed Approval Documentation		1 80	333 00	185 00
CREDITORS TOTAL		174 30	32,653 00	187 34
INVESTIGATIONS				
SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement	10 20	1,887 00	185 00

Description of work undertaken	Includes	No. of Hours during the period from 09/10/2015 to 08/04/2016	Total cost during the period from 09/10/2015 to 08/04/2016 £	Blended hourly rate during the period from 09/10/2015 to 08/04/2016 £
	Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken			
CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary report if required Assisting the Insolvency Service with its investigations	3 90	721 50	185 00
INVESTIGATIONS TOTAL		14 10	2,608 50	185 00
REALISATION OF ASSETS				
Realisation of Assets – case specific matters	Liaising with valuers and agents on sale of assets strategy and offers received	10 90	2,019 50	185 28
Freehold/Leasehold Property	Dealing with tenant issues (if any) Liaising with secured creditors and landlords Agreeing assignment, surrender or disclaiming property	8 30	1,535 50	185 00
Motor Vehicles	Liaising with agents to agree disposal strategy Dealing with potential purchasers Negotiating sales Liaising with solicitors to agree sales Collecting sales consideration Liaising with insurance companies and directors to pursue claims Examining company records to support tax refunds Exchanges with government departments	0 30	55 50	185 00
Financed Assets	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases if appropriate	1 70	314 50	185 00
Debtors	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and arranging for reassignment of ledger	35 30	7,538 50	213 56

Description of work undertaken	Includes	No of Hours during the period from 09/10/2015 to 08/04/2016	Total cost during the period from 09/10/2015 to 08/04/2016 £	Blended hourly rate during the period from 09/10/2015 to 08/04/2016 £
	<p>Liaising with debt collectors and solicitors</p> <p>Agreeing debt collection agency agreements</p> <p>Dealing with disputes, including communicating with directors/former staff</p> <p>Pursuing credit insurance claims</p> <p>Submitting VAT bad debt relief claims</p>			
REALISATION OF ASSETS TOTAL		56 50	11,463 50	202 89
TRADING / MANAGING SHUT DOWN				
Management of Operations	<p>Analysing work in progress</p> <p>Establishing new accounts with utility providers</p> <p>Ensuring security of premises, computer system, equipment and stock</p> <p>Liaising with management and staff</p> <p>Site Supervision</p> <p>Authorising purchase orders</p> <p>Maintaining purchase order registry</p> <p>Preparing and authorising receipt vouchers</p> <p>Preparing and authorising payment vouchers</p> <p>Collecting sales ledger</p>	18 80	3,543 00	188 46
Employee issues/payroll	<p>Consultation with staff, employee and Union representatives and sub-contractors</p> <p>Arranging for the election of employee representatives</p> <p>Review of staffing requirements for trading period</p> <p>Deciding on and making redundancies where necessary</p> <p>Liaising with RPO and Job Centre Plus regarding redundancies</p> <p>Liaising with Pensions regulator regarding auto-enrolment</p>	6 80	1,258 00	185 00
Negotiating with suppliers	<p>Liaising with suppliers to secure supplies and credit terms</p> <p>Negotiating with ransom creditors</p>	4 30	795 50	185 00
TRADING TOTAL		29 90	5,596 50	187 17
CASHIERING				

Description of work undertaken	Includes	No. of Hours during the period from 09/10/2015 to 08/04/2016	Total cost during the period from 09/10/2015 to 08/04/2016 £	Blended hourly rate during the period from 09/10/2015 to 08/04/2016 £
Opening, maintaining and managing the Liquidators' cashbook, and bank account Dealing with cheque requisitions Dealing with deposit forms Bank Reconciliations Preparing & Filing statutory Receipts & Payments accounts	Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book Issuing cheques/BACS payments Banking remittances Preparing and filing statutory receipts and payments accounts at Companies House	33 30	4,294 50	128 96
CASHIERING TOTAL		33 30	4,294 50	128 96

Current Charge-out Rates of the staff working on the case

Time charging policy

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken

Support staff include secretarial and administrative support

The minimum unit of time recorded is 6 minutes

Rates are likely to be subject to periodic increase

Staff	Charge out rates £
Partners	295 00 - 475 00
Directors	250 00 - 325 00
Senior Manager	225 00 - 350 00
Manager	200 00 - 250 00
Assistant Manager	185 00
Senior Administrator	175 00 - 215 00
Administrator	150 00 - 175 00
Case Accountant	125 00
Support Staff/Executive Assistant	95 00 - 100 00

**First Stop Legal Services Ltd t/as GT Law
(IN ADMINISTRATION)**

Appendix 5

PROOF OF DEBT

PROOF OF DEBT FORM

First Stop Legal Services Limited t/a GT Law - In Administration Relevant date 09 October 2015	
Name of creditor (If a company please also give company registration number)	
Address for correspondence	
Tel No	Ref Contact
Total amount of claim, as at date of Administration Order, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration, less any payments made after that date in respect of such claim, and any adjustment by way of set off	DETAIL CLAIM £
If the amount above includes outstanding uncapitalised interest please state amount	£
Details of any documents by reference to which the debt can be substantiated	
Particulars of how debt arose and date incurred (use space overleaf if necessary)	
Particulars of any security held, the value of the security, and the date it was given	
Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
Signature of creditor or person authorised to act on his behalf Name in BLOCK LETTERS	
Position with or in relation to creditor	
Address of person signing (if different from 2 above)	

PLEASE ATTACH ANY DOCUMENTARY EVIDENCE OF CLAIM (eg statements, invoices)

Admitted to vote for £	Admitted for dividend for £
Date	Date
Chairman / Administrator	Administrator